

ORIGINAL NEW APPLICATION



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AZ CORP COMMISSION
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Arizona Corporation Commission

DOCKETED

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BEFORE THE ARIZONA CORPORATION COMMISSION

WS-02061A-04-0836

IN THE MATTER OF THE APPLICATION OF)
OAK CREEK UTILITY CORPORATION FOR)
AUTHORITY TO ISSUE PROMISSORY)
NOTE(S) AND OTHER EVIDENCES OF)
INDEBTEDNESS PAYABLE AT PERIODS OF)
MORE THAN TWELVE MONTHS AFTER)
THE DATE OF ISSUANCE.)

DOCKET NO. W-02061A-04-5

APPLICATION

Oak Creek Utility Corporation ("Oak Creek" or the "Applicant"), by and through undersigned counsel, respectfully states the following in support of this Application:

1. Oak Creek is a corporation duly organized and existing under the laws of the State of Arizona. Its principal place of business is P.O. Box 48, Cave Creek, Arizona 85327.

2. Oak Creek is a public service corporation primarily engaged in the business of providing water utility service in its certificated area in portions of Coconino County, Arizona.

3. Oak Creek seeks herein Commission approval for the issuance of promissory note(s) and other evidences of indebtedness in the original amount of up to \$40,000.

4. Oak Creek proposes to use the proceeds of the financing to construct and improve certain of its facilities to comply with ADEQ requirements and ensure continued supply and reliability of high quality water throughout its system. The details of the proposed purchases construction projects are attached hereto as **Attachment A** and are incorporated herein by this reference for all purposes.

1 5. The Applicant filed its application with Water Infrastructure Finance Authority of
2 Arizona (WIFA) in the amount of \$40,000 on September 25, 2003. The Company is advised that it
3 is number 3 on the Priority List that will be adopted by WIFA in December, 2003. That loan will be
4 utilized for the funding of the WIFA projects as described on **Attachment A**. The terms and
5 conditions of that loan are expected to a twenty year Promissory Note and Deed of Trust bearing a
6 approximately 5.0% interest rate with monthly payments of \$263.98 and annual debt service of
7 \$3,167.70 as set forth on **Attachment B** hereto. The Promissory Note and Deed of Trust are
8 anticipated to be the standard WIFA documents and will be filed with the Commission upon
9 issuance.

10 6. Oak Creek has filed a permanent Rate Application, which increases will support debt
11 service for the WIFA loan as requested herein. The Company will file a Motion to Consolidate the
12 Rate Application with this Application in a separate filing.

13 7. Attached as **Attachment C** and incorporated herein by reference for all purposes are
14 Applicant's financial statements as of December 31, 2003

15 8. Attached hereto as **Attachment D**, and incorporated herein by this reference for all
16 purposes, is a proforma capital structure before and after the financing.

17 9. Attached as **Attachment E** and incorporated herein for all purposes is a form of the
18 Resolution of the Oak Creek's Board of Directors authorizing this application and the issuance of
19 the Promissory Note(s) and the evidences of indebtedness.

20 10. Oak Creek will provide notice of the filing of this Application in conformity with A.R.S.
21 § 40-302 in the form attached as **Attachment F** and incorporated herein by this reference, which
22 exhibit contains the form of the Notice of Publication to be filed with the Commission, or in such
23 other form as ordered by the Commission.

1 11. In Oak Creek's opinion the purpose to which proceeds of the issuance of the Promissory
2 Note(s) and evidences of indebtedness will be applied as set forth above are lawful, and within its
3 powers and are compatible with the public interest, with sound financial practices, and with the
4 proper performance of the Company of service as a public service corporation and will not impair its
5 ability to perform that service. The Company is further of the opinion that the issuance of the
6 Promissory Note(s) and evidences of indebtedness as herein contemplated are reasonably necessary
7 or appropriate for the aforementioned purposes. To the extent that such purposes may be considered
8 reasonably chargeable to operating expenses or to income, the Company requests that they be
9 permitted by the Commission in the order sought hereby.

10 WHEREFORE, Oak Creek requests that the Commission make such inquiry or investigation
11 that the Commission may deem necessary and appropriate; make the findings required by A.R.S.
12 § 40-301 and § 40-302 relative to the purposes of issuing the Promissory Note(s) and evidences of
13 indebtedness as herein stated; and thereafter make an immediately effective order (i) authorizing the
14 Company to issue the Promissory Note(s) and entry into the proposed evidences of indebtedness, in
15 the same manner and for the purposes herein contemplated, (ii) stating that the issuance of the
16 Promissory Note(s) and evidences of indebtedness are reasonably necessary or appropriate for the
17 purposes set forth above, (iii) stating that such purposes are within those permitted by A.R.S. § 40-
18 301, and (iv) approving such purposes to the extent that they may be considered reasonably
19 chargeable to operating expenses or income.

1
2 Respectfully submitted this 19th day of November, 2004.

3
4 SALLQUIST & DRUMMOND, P.C.

5 By 

6 Richard L. Sallquist
7 4500 S. Lakeshore Drive, Suite 339
8 Tempe, Arizona 85282
9 Attorneys for Oak Creek Utility Corporation

10 Original and fifteen copies of the
11 foregoing filed this 19th day
12 of November, 2004, with

13 Docket Control
14 Arizona Corporation Commission
15 1200 West Washington
16 Phoenix, Arizona 85007
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LIST OF EXHIBITS

ATTACHMENT

DESCRIPTION

A

FINANCING DETAILS

B

LOAN AMORTIZATION

C

FINANCIAL STATEMENTS

D

PRO FORMA CAPITAL STRUCTURE

E

BOARD OF DIRECTORS RESOLUTION

F

AFFIDAVIT OF MAILING

Oak Creek Utility Corporation
P.O. Box 48
Cave Creek, Az. 85327
602-482-5164

Description of proposed WIFA funded projects.

As a result of our yearly inspection on August 22, 2002 Oak Creek Utility Corp. (OCUC). Was found to be in violation of A.A.C. R-18-4-503(A)., failure to provide minimum storage requirements for a community water system. OCUC received a notice of violation and resulting consent order to make the necessary improvements. OCUC has applied for WIFA funding to help with the following expenses.

Survey
Engineering
excavation
Purchase of storage tank
Necessary permits and fees
Plumbing
Electrical
Fencing/Security

The WIFA funding will allow OCUC to come into compliance as required by ADEQ and allow OCUC to provide better storage capacity and service to our customers.

Dean Orem

president Oak Creek Utility Corporation

ATTACHMENT A

OAK CREEK UTILITY CORPORATION

WIFA FINANCING

AMORTIZATION

Principal Amount	\$40,000.00
Interest Rate	5.00%
Term	20
Payments per Year	12
First Payment	6/1/2005
Principal and Interest Payment	\$263.98
Due Date	5/1/2025
ANNUAL DEBT SERVICE	\$3,167.79
ANNUAL INTEREST	\$1,972.86
ANNUAL PRINCIPAL REDUCTION	\$1,194.92

Payment Number	Payment Date	Interest	Principal Reduction	Total Payment	Balance
1	6/1/2005	\$166.67	\$97.32	\$263.98	\$39,902.68
2	7/1/2005	\$166.26	\$97.72	\$263.98	\$39,804.96
3	8/1/2005	\$165.85	\$98.13	\$263.98	\$39,706.83
4	9/1/2005	\$165.45	\$98.54	\$263.98	\$39,608.30
5	10/1/2005	\$165.03	\$98.95	\$263.98	\$39,509.35
6	11/1/2005	\$164.62	\$99.36	\$263.98	\$39,409.99
7	12/1/2005	\$164.21	\$99.77	\$263.98	\$39,310.22
8	1/1/2006	\$163.79	\$100.19	\$263.98	\$39,210.03
9	2/1/2006	\$163.38	\$100.61	\$263.98	\$39,109.42
10	3/1/2006	\$162.96	\$101.03	\$263.98	\$39,008.39
11	4/1/2006	\$162.53	\$101.45	\$263.98	\$38,906.95
12	5/1/2006	\$162.11	\$101.87	\$263.98	\$38,805.08
13	6/1/2006	\$161.69	\$102.29	\$263.98	\$38,702.78
14	7/1/2006	\$161.26	\$102.72	\$263.98	\$38,600.06
15	8/1/2006	\$160.83	\$103.15	\$263.98	\$38,496.91
16	9/1/2006	\$160.40	\$103.58	\$263.98	\$38,393.33
17	10/1/2006	\$159.97	\$104.01	\$263.98	\$38,289.32
18	11/1/2006	\$159.54	\$104.44	\$263.98	\$38,184.88
19	12/1/2006	\$159.10	\$104.88	\$263.98	\$38,080.00
20	1/1/2007	\$158.67	\$105.32	\$263.98	\$37,974.69
21	2/1/2007	\$158.23	\$105.75	\$263.98	\$37,868.93
22	3/1/2007	\$157.79	\$106.20	\$263.98	\$37,762.74
23	4/1/2007	\$157.34	\$106.64	\$263.98	\$37,656.10
24	5/1/2007	\$156.90	\$107.08	\$263.98	\$37,549.02
25	6/1/2007	\$156.45	\$107.53	\$263.98	\$37,441.49
26	7/1/2007	\$156.01	\$107.98	\$263.98	\$37,333.51
27	8/1/2007	\$155.56	\$108.43	\$263.98	\$37,225.09
28	9/1/2007	\$155.10	\$108.88	\$263.98	\$37,116.21
29	10/1/2007	\$154.65	\$109.33	\$263.98	\$37,006.88
30	11/1/2007	\$154.20	\$109.79	\$263.98	\$36,897.09
31	12/1/2007	\$153.74	\$110.24	\$263.98	\$36,786.85
32	1/1/2008	\$153.28	\$110.70	\$263.98	\$36,676.14
33	2/1/2008	\$152.82	\$111.17	\$263.98	\$36,564.98

WIFA Financing

34	3/1/2008	\$152.35	\$111.63	\$263.98	\$36,453.35
35	4/1/2008	\$151.89	\$112.09	\$263.98	\$36,341.26
36	5/1/2008	\$151.42	\$112.56	\$263.98	\$36,228.69
37	6/1/2008	\$150.95	\$113.03	\$263.98	\$36,115.67
38	7/1/2008	\$150.48	\$113.50	\$263.98	\$36,002.17
39	8/1/2008	\$150.01	\$113.97	\$263.98	\$35,888.19
40	9/1/2008	\$149.53	\$114.45	\$263.98	\$35,773.74
41	10/1/2008	\$149.06	\$114.93	\$263.98	\$35,658.82
42	11/1/2008	\$148.58	\$115.40	\$263.98	\$35,543.41
43	12/1/2008	\$148.10	\$115.88	\$263.98	\$35,427.53
44	1/1/2009	\$147.61	\$116.37	\$263.98	\$35,311.16
45	2/1/2009	\$147.13	\$116.85	\$263.98	\$35,194.31
46	3/1/2009	\$146.64	\$117.34	\$263.98	\$35,076.97
47	4/1/2009	\$146.15	\$117.83	\$263.98	\$34,959.14
48	5/1/2009	\$145.66	\$118.32	\$263.98	\$34,840.82
49	6/1/2009	\$145.17	\$118.81	\$263.98	\$34,722.01
50	7/1/2009	\$144.68	\$119.31	\$263.98	\$34,602.70
51	8/1/2009	\$144.18	\$119.80	\$263.98	\$34,482.90
52	9/1/2009	\$143.68	\$120.30	\$263.98	\$34,362.60
53	10/1/2009	\$143.18	\$120.80	\$263.98	\$34,241.79
54	11/1/2009	\$142.67	\$121.31	\$263.98	\$34,120.48
55	12/1/2009	\$142.17	\$121.81	\$263.98	\$33,998.67
56	1/1/2010	\$141.66	\$122.32	\$263.98	\$33,876.35
57	2/1/2010	\$141.15	\$122.83	\$263.98	\$33,753.52
58	3/1/2010	\$140.64	\$123.34	\$263.98	\$33,630.17
59	4/1/2010	\$140.13	\$123.86	\$263.98	\$33,506.32
60	5/1/2010	\$139.61	\$124.37	\$263.98	\$33,381.95
61	6/1/2010	\$139.09	\$124.89	\$263.98	\$33,257.05
62	7/1/2010	\$138.57	\$125.41	\$263.98	\$33,131.64
63	8/1/2010	\$138.05	\$125.93	\$263.98	\$33,005.71
64	9/1/2010	\$137.52	\$126.46	\$263.98	\$32,879.25
65	10/1/2010	\$137.00	\$126.99	\$263.98	\$32,752.27
66	11/1/2010	\$136.47	\$127.51	\$263.98	\$32,624.75
67	12/1/2010	\$135.94	\$128.05	\$263.98	\$32,496.71
68	1/1/2011	\$135.40	\$128.58	\$263.98	\$32,368.13
69	2/1/2011	\$134.87	\$129.12	\$263.98	\$32,239.01
70	3/1/2011	\$134.33	\$129.65	\$263.98	\$32,109.36
71	4/1/2011	\$133.79	\$130.19	\$263.98	\$31,979.16
72	5/1/2011	\$133.25	\$130.74	\$263.98	\$31,848.43
73	6/1/2011	\$132.70	\$131.28	\$263.98	\$31,717.15
74	7/1/2011	\$132.15	\$131.83	\$263.98	\$31,585.32
75	8/1/2011	\$131.61	\$132.38	\$263.98	\$31,452.94
76	9/1/2011	\$131.05	\$132.93	\$263.98	\$31,320.02
77	10/1/2011	\$130.50	\$133.48	\$263.98	\$31,186.53
78	11/1/2011	\$129.94	\$134.04	\$263.98	\$31,052.49
79	12/1/2011	\$129.39	\$134.60	\$263.98	\$30,917.90
80	1/1/2012	\$128.82	\$135.16	\$263.98	\$30,782.74
81	2/1/2012	\$128.26	\$135.72	\$263.98	\$30,647.02
82	3/1/2012	\$127.70	\$136.29	\$263.98	\$30,510.73
83	4/1/2012	\$127.13	\$136.85	\$263.98	\$30,373.88
84	5/1/2012	\$126.56	\$137.42	\$263.98	\$30,236.45
85	6/1/2012	\$125.99	\$138.00	\$263.98	\$30,098.46

WIFA Financing

86	7/1/2012	\$125.41	\$138.57	\$263.98	\$29,959.88
87	8/1/2012	\$124.83	\$139.15	\$263.98	\$29,820.74
88	9/1/2012	\$124.25	\$139.73	\$263.98	\$29,681.01
89	10/1/2012	\$123.67	\$140.31	\$263.98	\$29,540.69
90	11/1/2012	\$123.09	\$140.90	\$263.98	\$29,399.80
91	12/1/2012	\$122.50	\$141.48	\$263.98	\$29,258.32
92	1/1/2013	\$121.91	\$142.07	\$263.98	\$29,116.24
93	2/1/2013	\$121.32	\$142.66	\$263.98	\$28,973.58
94	3/1/2013	\$120.72	\$143.26	\$263.98	\$28,830.32
95	4/1/2013	\$120.13	\$143.86	\$263.98	\$28,686.46
96	5/1/2013	\$119.53	\$144.46	\$263.98	\$28,542.01
97	6/1/2013	\$118.93	\$145.06	\$263.98	\$28,396.95
98	7/1/2013	\$118.32	\$145.66	\$263.98	\$28,251.29
99	8/1/2013	\$117.71	\$146.27	\$263.98	\$28,105.02
100	9/1/2013	\$117.10	\$146.88	\$263.98	\$27,958.14
101	10/1/2013	\$116.49	\$147.49	\$263.98	\$27,810.65
102	11/1/2013	\$115.88	\$148.10	\$263.98	\$27,662.55
103	12/1/2013	\$115.26	\$148.72	\$263.98	\$27,513.83
104	1/1/2014	\$114.64	\$149.34	\$263.98	\$27,364.48
105	2/1/2014	\$114.02	\$149.96	\$263.98	\$27,214.52
106	3/1/2014	\$113.39	\$150.59	\$263.98	\$27,063.93
107	4/1/2014	\$112.77	\$151.22	\$263.98	\$26,912.72
108	5/1/2014	\$112.14	\$151.85	\$263.98	\$26,760.87
109	6/1/2014	\$111.50	\$152.48	\$263.98	\$26,608.39
110	7/1/2014	\$110.87	\$153.11	\$263.98	\$26,455.28
111	8/1/2014	\$110.23	\$153.75	\$263.98	\$26,301.53
112	9/1/2014	\$109.59	\$154.39	\$263.98	\$26,147.13
113	10/1/2014	\$108.95	\$155.04	\$263.98	\$25,992.10
114	11/1/2014	\$108.30	\$155.68	\$263.98	\$25,836.42
115	12/1/2014	\$107.65	\$156.33	\$263.98	\$25,680.09
116	1/1/2015	\$107.00	\$156.98	\$263.98	\$25,523.10
117	2/1/2015	\$106.35	\$157.64	\$263.98	\$25,365.47
118	3/1/2015	\$105.69	\$158.29	\$263.98	\$25,207.17
119	4/1/2015	\$105.03	\$158.95	\$263.98	\$25,048.22
120	5/1/2015	\$104.37	\$159.61	\$263.98	\$24,888.61
121	6/1/2015	\$103.70	\$160.28	\$263.98	\$24,728.33
122	7/1/2015	\$103.03	\$160.95	\$263.98	\$24,567.38
123	8/1/2015	\$102.36	\$161.62	\$263.98	\$24,405.76
124	9/1/2015	\$101.69	\$162.29	\$263.98	\$24,243.47
125	10/1/2015	\$101.01	\$162.97	\$263.98	\$24,080.50
126	11/1/2015	\$100.34	\$163.65	\$263.98	\$23,916.86
127	12/1/2015	\$99.65	\$164.33	\$263.98	\$23,752.53
128	1/1/2016	\$98.97	\$165.01	\$263.98	\$23,587.51
129	2/1/2016	\$98.28	\$165.70	\$263.98	\$23,421.81
130	3/1/2016	\$97.59	\$166.39	\$263.98	\$23,255.42
131	4/1/2016	\$96.90	\$167.08	\$263.98	\$23,088.34
132	5/1/2016	\$96.20	\$167.78	\$263.98	\$22,920.56
133	6/1/2016	\$95.50	\$168.48	\$263.98	\$22,752.08
134	7/1/2016	\$94.80	\$169.18	\$263.98	\$22,582.89
135	8/1/2016	\$94.10	\$169.89	\$263.98	\$22,413.01
136	9/1/2016	\$93.39	\$170.59	\$263.98	\$22,242.41
137	10/1/2016	\$92.68	\$171.31	\$263.98	\$22,071.11

WIFA Financing

138	11/1/2016	\$91.96	\$172.02	\$263.98	\$21,899.09
139	12/1/2016	\$91.25	\$172.74	\$263.98	\$21,726.35
140	1/1/2017	\$90.53	\$173.46	\$263.98	\$21,552.89
141	2/1/2017	\$89.80	\$174.18	\$263.98	\$21,378.72
142	3/1/2017	\$89.08	\$174.90	\$263.98	\$21,203.81
143	4/1/2017	\$88.35	\$175.63	\$263.98	\$21,028.18
144	5/1/2017	\$87.62	\$176.36	\$263.98	\$20,851.81
145	6/1/2017	\$86.88	\$177.10	\$263.98	\$20,674.71
146	7/1/2017	\$86.14	\$177.84	\$263.98	\$20,496.88
147	8/1/2017	\$85.40	\$178.58	\$263.98	\$20,318.30
148	9/1/2017	\$84.66	\$179.32	\$263.98	\$20,138.98
149	10/1/2017	\$83.91	\$180.07	\$263.98	\$19,958.91
150	11/1/2017	\$83.16	\$180.82	\$263.98	\$19,778.09
151	12/1/2017	\$82.41	\$181.57	\$263.98	\$19,596.51
152	1/1/2018	\$81.65	\$182.33	\$263.98	\$19,414.18
153	2/1/2018	\$80.89	\$183.09	\$263.98	\$19,231.09
154	3/1/2018	\$80.13	\$183.85	\$263.98	\$19,047.24
155	4/1/2018	\$79.36	\$184.62	\$263.98	\$18,862.62
156	5/1/2018	\$78.59	\$185.39	\$263.98	\$18,677.23
157	6/1/2018	\$77.82	\$186.16	\$263.98	\$18,491.07
158	7/1/2018	\$77.05	\$186.94	\$263.98	\$18,304.14
159	8/1/2018	\$76.27	\$187.72	\$263.98	\$18,116.42
160	9/1/2018	\$75.49	\$188.50	\$263.98	\$17,927.92
161	10/1/2018	\$74.70	\$189.28	\$263.98	\$17,738.64
162	11/1/2018	\$73.91	\$190.07	\$263.98	\$17,548.57
163	12/1/2018	\$73.12	\$190.86	\$263.98	\$17,357.71
164	1/1/2019	\$72.32	\$191.66	\$263.98	\$17,166.05
165	2/1/2019	\$71.53	\$192.46	\$263.98	\$16,973.59
166	3/1/2019	\$70.72	\$193.26	\$263.98	\$16,780.33
167	4/1/2019	\$69.92	\$194.06	\$263.98	\$16,586.27
168	5/1/2019	\$69.11	\$194.87	\$263.98	\$16,391.39
169	6/1/2019	\$68.30	\$195.68	\$263.98	\$16,195.71
170	7/1/2019	\$67.48	\$196.50	\$263.98	\$15,999.21
171	8/1/2019	\$66.66	\$197.32	\$263.98	\$15,801.89
172	9/1/2019	\$65.84	\$198.14	\$263.98	\$15,603.75
173	10/1/2019	\$65.02	\$198.97	\$263.98	\$15,404.78
174	11/1/2019	\$64.19	\$199.80	\$263.98	\$15,204.99
175	12/1/2019	\$63.35	\$200.63	\$263.98	\$15,004.36
176	1/1/2020	\$62.52	\$201.46	\$263.98	\$14,802.89
177	2/1/2020	\$61.68	\$202.30	\$263.98	\$14,600.59
178	3/1/2020	\$60.84	\$203.15	\$263.98	\$14,397.44
179	4/1/2020	\$59.99	\$203.99	\$263.98	\$14,193.45
180	5/1/2020	\$59.14	\$204.84	\$263.98	\$13,988.61
181	6/1/2020	\$58.29	\$205.70	\$263.98	\$13,782.91
182	7/1/2020	\$57.43	\$206.55	\$263.98	\$13,576.36
183	8/1/2020	\$56.57	\$207.41	\$263.98	\$13,368.94
184	9/1/2020	\$55.70	\$208.28	\$263.98	\$13,160.67
185	10/1/2020	\$54.84	\$209.15	\$263.98	\$12,951.52
186	11/1/2020	\$53.96	\$210.02	\$263.98	\$12,741.50
187	12/1/2020	\$53.09	\$210.89	\$263.98	\$12,530.61
188	1/1/2021	\$52.21	\$211.77	\$263.98	\$12,318.84
189	2/1/2021	\$51.33	\$212.65	\$263.98	\$12,106.18

WIFA Financing

190	3/1/2021	\$50.44	\$213.54	\$263.98	\$11,892.64
191	4/1/2021	\$49.55	\$214.43	\$263.98	\$11,678.21
192	5/1/2021	\$48.66	\$215.32	\$263.98	\$11,462.89
193	6/1/2021	\$47.76	\$216.22	\$263.98	\$11,246.67
194	7/1/2021	\$46.86	\$217.12	\$263.98	\$11,029.55
195	8/1/2021	\$45.96	\$218.03	\$263.98	\$10,811.52
196	9/1/2021	\$45.05	\$218.93	\$263.98	\$10,592.59
197	10/1/2021	\$44.14	\$219.85	\$263.98	\$10,372.74
198	11/1/2021	\$43.22	\$220.76	\$263.98	\$10,151.98
199	12/1/2021	\$42.30	\$221.68	\$263.98	\$9,930.30
200	1/1/2022	\$41.38	\$222.61	\$263.98	\$9,707.69
201	2/1/2022	\$40.45	\$223.53	\$263.98	\$9,484.16
202	3/1/2022	\$39.52	\$224.46	\$263.98	\$9,259.69
203	4/1/2022	\$38.58	\$225.40	\$263.98	\$9,034.29
204	5/1/2022	\$37.64	\$226.34	\$263.98	\$8,807.95
205	6/1/2022	\$36.70	\$227.28	\$263.98	\$8,580.67
206	7/1/2022	\$35.75	\$228.23	\$263.98	\$8,352.44
207	8/1/2022	\$34.80	\$229.18	\$263.98	\$8,123.26
208	9/1/2022	\$33.85	\$230.14	\$263.98	\$7,893.13
209	10/1/2022	\$32.89	\$231.09	\$263.98	\$7,662.03
210	11/1/2022	\$31.93	\$232.06	\$263.98	\$7,429.98
211	12/1/2022	\$30.96	\$233.02	\$263.98	\$7,196.95
212	1/1/2023	\$29.99	\$233.99	\$263.98	\$6,962.96
213	2/1/2023	\$29.01	\$234.97	\$263.98	\$6,727.99
214	3/1/2023	\$28.03	\$235.95	\$263.98	\$6,492.04
215	4/1/2023	\$27.05	\$236.93	\$263.98	\$6,255.10
216	5/1/2023	\$26.06	\$237.92	\$263.98	\$6,017.19
217	6/1/2023	\$25.07	\$238.91	\$263.98	\$5,778.27
218	7/1/2023	\$24.08	\$239.91	\$263.98	\$5,538.37
219	8/1/2023	\$23.08	\$240.91	\$263.98	\$5,297.46
220	9/1/2023	\$22.07	\$241.91	\$263.98	\$5,055.55
221	10/1/2023	\$21.06	\$242.92	\$263.98	\$4,812.64
222	11/1/2023	\$20.05	\$243.93	\$263.98	\$4,568.71
223	12/1/2023	\$19.04	\$244.95	\$263.98	\$4,323.76
224	1/1/2024	\$18.02	\$245.97	\$263.98	\$4,077.79
225	2/1/2024	\$16.99	\$246.99	\$263.98	\$3,830.80
226	3/1/2024	\$15.96	\$248.02	\$263.98	\$3,582.78
227	4/1/2024	\$14.93	\$249.05	\$263.98	\$3,333.73
228	5/1/2024	\$13.89	\$250.09	\$263.98	\$3,083.64
229	6/1/2024	\$12.85	\$251.13	\$263.98	\$2,832.50
230	7/1/2024	\$11.80	\$252.18	\$263.98	\$2,580.32
231	8/1/2024	\$10.75	\$253.23	\$263.98	\$2,327.09
232	9/1/2024	\$9.70	\$254.29	\$263.98	\$2,072.80
233	10/1/2024	\$8.64	\$255.35	\$263.98	\$1,817.46
234	11/1/2024	\$7.57	\$256.41	\$263.98	\$1,561.05
235	12/1/2024	\$6.50	\$257.48	\$263.98	\$1,303.57
236	1/1/2025	\$5.43	\$258.55	\$263.98	\$1,045.02
237	2/1/2025	\$4.35	\$259.63	\$263.98	\$785.39
238	3/1/2025	\$3.27	\$260.71	\$263.98	\$524.68
239	4/1/2025	\$2.19	\$261.80	\$263.98	\$262.89
240	5/1/2025	\$1.10	\$262.89	\$263.98	\$0.00

WIFA Financing

OAK CREEK UTILITY CORPORATION
2003 FINANCIAL STATEMENTS

Please see the Statements attached to the companion rate application filed of even date hereto,
Exhibit B, Schedule 11, and Exhibit D, Schedule 29

ATTACHMENT C

OAK CREEK UTILITY CORPORATION
FINANCING APPLICATION
Water Division
Capital Structure

Source	12/31/2003	Percentage	Proposed Financing	Post Financing	Percentage
Long Term Debt	\$ -	0.00%	\$ 40,000	\$ 40,000	42.35%
Common Stock	\$ 1,100	2.02%		\$ 1,100	1.16%
Paid in Capital	\$ 1,400	2.57%		\$ 1,400	1.48%
Retained Earnings	\$ 51,949	95.41%		\$ 51,949	55.00%
Total	\$ 54,449	100.00%	\$ 40,000	\$ 94,449	100.00%

CERTIFICATE OF SECRETARY

I, the undersigned, being the Secretary of Oak Creek Utility Corporation do hereby certify the foregoing to be duly adopted resolutions of the Corporation's Board of Directors as adopted at a Special Meeting of the Directors held on September 25, 2003.

By: _____
Secretary

OAK CREEK UTILITY CORPORATION

RESOLUTION OF THE BOARD OF DIRECTORS

September 25, 2003

The President reported on the need for certain facilities needed to provide water service within the service area of the Corporation, the long-term financing of those facilities and the Corporation's existing short term debt and the need for an Arizona Corporation Commission Order authorizing that financing. Discussion of those matters ensued.

Thereafter, upon motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the Board hereby authorizes the officers of the Corporation to file an Application with the Water Infrastructure Authority of Arizona (WIFA) for a loan at terms favorable to the Corporation for the purpose of funding construction of certain transmission line and appurtenant facilities necessary to intertie the Company's production, transmission and distribution facilities, and

FURTHER RESOLVED, that the Board hereby authorizes the officers of the Company to seek long term financing from WIFA in an amount not to exceed \$40,000 for the purpose of funding the plant and equipment described in Exhibit A hereto, and

FURTHER RESOLVED, that the Board hereby authorized the officers of the Corporation to file an Application with the Arizona Corporation Commission for authority to increase its rates and charges such that the Company's operating expenses, debt service, and reasonable rate of return on its rate base can be duly recovered, and

FURTHER RESOLVED, that the Board hereby authorizes the officers of the Corporation to file an application with the Arizona Corporation Commission for authority to issue promissory note(s) and evidence of indebtedness upon the terms and conditions hereinbelow mentioned and the filing of any and all amendments and supplements to said application, and

FURTHER RESOLVED, that upon receiving the requisite authority from the Arizona Corporation Commission, and subject to other legal requirements, the Corporation shall issue Promissory Note(s) and such evidence of long-term indebtedness for up to \$40,000 under terms and conditions advantageous to the Corporation for the purpose of funding certain plant and equipment additions, as herein above described, and

FURTHER RESOLVED, that the proper officers of the Corporation be, and each of them hereby is, authorized to deliver promissory notes and other evidence of indebtedness upon receipt by the Corporation of the full purchase price or loan proceeds therefore, all in the manner and in the terms and conditions provided in the above-mentioned resolutions, and

FURTHER RESOLVED, that the proper officers of the Corporation be and each of them hereby is, authorized, in the name and on behalf of the Corporation, to conduct any and all negotiations, to make any and all arrangements, do and perform any and all acts and things and to execute and deliver any and all officer's certificates and other documents and instruments as they deem necessary or appropriate in order to consummate the issuance and otherwise to effectuate the purposes of each and all of the foregoing resolutions.

Richard L. Sallquist, Esq.
SALLQUIST & DRUMMOND, P.C.
4500 S. Lakeshore Drive, Suite 339
Tempe, Arizona 85282
Telephone: 602-224-9222
Attorneys for Oak Creek Utility Corporation

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. W-02061A-04-____
OAK CREEK UTILITY CORPORATION FOR)
AUTHORITY TO ISSUE VAIL WATER)
PROMISSORY NOTE(S) AND OTHER)
EVIDENCES OF INDEBTEDNESS PAYABLE)
AT PERIODS OF MORE THAN TWELVE)
MONTHS AFTER THE DATE OF ISSUANCE.)

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. W-02061A-04-____
OAK CREEK UTILITY CORPORATION FOR) WS-02061A-04-____
AN INCREASE IN ITS WATER AND)
WASTEWATER RATES FOR CUSTOMERS) **AFFIDAVIT OF MAILING**
WITHIN COCONINO COUNTY, ARIZONA.)

STATE OF ARIZONA)
)ss
County of Maricopa)

I, Fred T. Wilkinson, President First National Management, Inc. provider of certain customer services for Oak Creek Utility Corporation, hereby state that on or about November 24, 2004, I caused the attached Notice to Customers regarding the Water and Wastewater Rate Applications, and the Financial Application to be mailed to all customers of record as of November 1, 2004 by first class mail, postage prepaid.

DATED this ____ day of November, 2004.

FIRST NATIONAL MANAGEMENT,
INC.

By: _____
Fred T. Wilkinson, President

1 The foregoing instrument was acknowledged before me this ____ day of

2 _____, 2004, by Fred T. Wilkinson.

3
4 _____
Notary Public

5 My Commission Expires:

6 _____
7 Original and ten copies of the
8 foregoing filed this ____ day
9 of November, 2004:

10 Docket Control
11 Arizona Corporation Commission
12 1200 West Washington
13 Phoenix, Arizona 85007
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CUSTOMER NOTIFICATION

Oak Creek Utility Corporation has applied to the Arizona Corporation Commission for an adjustment in rates. The current rates have been in effect since August 22, 1985. An increase in rates is necessary at this time due to the operating cost increases since 1985 and the need to fund the new storage tank. Based on the Company's compiled Test Year results, Oak Creek Utility Corporation realized a water operating income of \$348. The Company is requesting a water revenue increase of \$18,807 or 171% of total revenues. The wastewater losses were (\$1,172). The requested increase is \$14,666 or 252%. Please see the attached pages 9 and 11 of the Company's Water application and Pages 5 and 7 of the Wastewater application for the current and proposed rates.

The Application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street (for Tucson, call 800-535-0148 if located outside the Tucson local calling area or 520-628-6555 if inside the Tucson local calling area) and at Oak Creek Utility Corporation, P.O. Box 48, Cave Creek, Arizona 85327. Please be advised that the rates and charges ultimately approved by the Commission may be higher or lower than the rates and charges requested in the Application.

Customer input is an important part of the Commission's analysis of the requested adjustment and is a factor in determining whether a hearing will be conducted. Customers should bring to the Commission's attention any questions or concerns related to the Company's Application, including service, billing procedures or other factors important in determining the reasonableness of charges. Customers may have the right to intervene in this matter. Customers wishing to communicate with the Commission, or request information on intervention in the proceeding, should contact the Commission's Consumer Services Section at 800-222-7000 (if located outside the Phoenix local calling area) or 602-542-4251 in the Phoenix local calling area. Customers may also contact the Tucson Commission office by calling 800-535-0148 (if located outside the Tucson local calling area) or 520-628-6555 in the Tucson local calling area.

Customers are advised that the Commission may act upon the Application without a hearing. Regardless of whether a formal hearing is held, customer comments submitted in writing will be placed in the official file, which the Commission reviews prior to making its final decision on the Application. It is important that customers contact the Commission within 15 days of the receipt of this notice so that the Commission's Staff can consider customer comments and concerns in developing its recommendations to the Commission.

Company Name:
Oak Creek Utility Corporation

Test Year Ended:
December 31, 2003

CURRENT AND PROPOSED RATES AND CHARGES

CUSTOMER CLASS: ☒ Residential ☐ Commercial ☐ Industrial

☐ Irrigation ☐ All ☐ Other, specify _____

CURRENT RATES

PROPOSED RATES

MINIMUM OR SERVICE CHARGES
5/8" x 3/4" Meter
3/4" Meter
1" Meter
1-1/2" Meter
2" Meter
3" Meter
4" Meter
6" Meter

\$ GALLONS
18 for 0
18 for 0
N/A for
N/A for
N/A for
N/A for
N/A for
N/A for

\$ GALLONS
45 for 0
45 for 0
N/A for
N/A for
N/A for
N/A for
N/A for
N/A for

GALLONS IN EXCESS OF MINIMUM
Commodity Charge in Excess of Minimum (Charge Per 1,000 Gallons)
First Tier
Second Tier
Third Tier
FLAT RATE

Current Rates

Proposed Rates

Rate	Gallons	Rate	Gallons
\$2.50	Up to all	\$6.50	Up to all
\$	_____ to _____	\$	_____ to _____
\$	Over _____	\$	Over _____
\$	Per Month	\$	Per Month

Note: If rates and charges vary across customer classes, duplicate the form and complete one for each rate class. (e.g., residential, commercial) unless "All" is checked.

Company Name: Oak Creek Utility Corporation	Test Year Ended: December 31, 2003
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CURRENT AND PROPOSED SERVICE CHARGES

CUSTOMER CLASS: ☒ Residential ☐ Commercial ☐ Industrial

☐ Irrigation ☐ All ☐ Other, specify _____

SERVICE LINE AND METER INSTALLATION CHARGES	CURRENT CHARGES	PROPOSED CHARGES
5/8" X 3/4" Meter	\$350	\$500
3/4" Meter	\$350	\$575
1" Meter	\$N/A	\$N/A
1-1/2" Meter	\$N/A	\$N/A
2" Meter	\$N/A	\$N/A
3" Meter	\$N/A	\$N/A
4" Meter	\$N/A	\$N/A
6" Meter	\$N/A	\$N/A

Establishment	\$25	\$30
Establishment (after hours)	\$25	\$45
Reconnection (delinquent)	\$25	\$30
Reconnection (delinquent) after hours	\$25	\$45
Meter Test	\$N/A	\$25
Deposit	\$Per Regulation	\$Per Regulation
Deposit Interest	Per Regulation %	3.0%
Re-establishment (within 12 months)	\$ months off x min.	\$Month off x Min
NSF Check	\$10	\$15
Deferred Payment	N/A %	N/A %
Meter Re-read	\$5	\$10
Late Fee	\$ N/A	\$5.00

Note: If rates and charges vary across customer classes, duplicate the form and complete one for each rate class. (e.g., residential, commercial) unless "All" is checked.

Company Name:
Oak Creek Utility Corporation

Test Year Ended:
December 31, 2003

CURRENT AND PROPOSED RATES AND CHARGES

		CURRENT RATES		PROPOSED RATES
Flat Rate Customers		N/A		N/A
Residential		N/A		N/A
Commercial		N/A		N/A
Industrial		N/A		N/A
Public Authorities		N/A		N/A
Other		N/A		N/A
Measured Rate Customers		N/A		N/A
Residential		\$15.00 + \$1.00/1,000		\$45.00 + \$3.50/1,000
Commercial		\$45.00 + \$3.50/1,000		\$45.00 + \$3.50/1,000
Industrial		N/A		N/A
Public Authorities		N/A		N/A
Other		N/A		N/A
Other Customers		N/A		N/A
Interdepartmental and/or Associated Companies		N/A		N/A
Other Wastewater Systems		N/A		N/A
Sale of Effluent		N/A		N/A
Sale of Sludge		N/A		N/A
Other		N/A		N/A

Company Name: Oak Creek Utility Corporation	Test Year Ended: December 31, 2003
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CURRENT AND PROPOSED SERVICE CHARGES

CUSTOMER CLASS: All

SERVICE LATERAL INSTALLATION CHARGES (per service line)	CURRENT RATES	PROPOSED RATES
4-inch lateral	\$ N/A	\$ N/A
6-inch lateral	\$ N/A	\$ N/A
8-inch lateral	\$ N/A	\$ N/A
12-inch lateral	\$ N/A	\$ N/A
Residential	\$350.00	\$500.00
Commercial	\$350.00	\$575.00
	\$	\$

Establishment	\$25.00	\$30.00
Establishment (After Hours)	\$25.00	\$45.00
Reconnection (Delinquent)	\$25.00	\$30.00
Deposit	\$ Per Regulation	\$ Per Regulation
Deposit Interest	Per Regulation %	3.0 %
Re-establishment (Within 12 months)	\$ Months off x min.	\$ Months off x min.
NSF Check	\$10.00	\$15.00
Deferred Payment	N/A %	N/A %
Late Fee	\$ N/A	\$ N/A